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Resubmission of Outpatient Prospective Payment System (OPPS) Services for Eligible Outlier Payment

Note: This article was revised to contain Web addresses that conform to the new CMS web site and to show they are now MLN Matters articles. All other information remains the same.

Provider Types Affected

Providers billing Medicare Fiscal Intermediaries (FIs) for services paid under the OPPS

Provider Action Needed

Effective for claims with line item dates of service (LIDOS) on or after January 1, 2005, the Outpatient Prospective Payment System (OPPS) Pricer software calculates outlier payments for OPPS services using a new formula to determine if costs exceed the outlier threshold. If they exceed the outlier threshold, a separate calculation is made to determine the outlier payment amount.

The threshold to become eligible for those outlier payments was incorrectly set above the appropriate threshold. Claims that met the higher threshold received the correct outlier payment. However, some claims near the threshold did not receive an outlier payment even though they should have.

Therefore, beginning April 15, 2005, The Centers for Medicare & Medicaid Services (CMS) is encouraging providers to resubmit claims with OPPS services that meet **all** of the following criteria (only OPPS services that meet the following criteria are eligible for unpaid outliers):

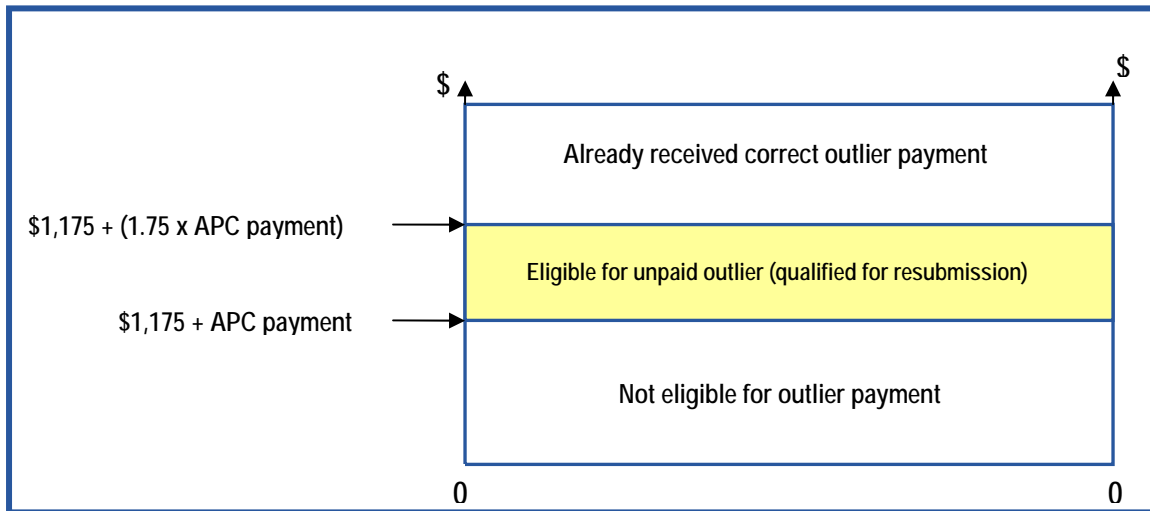
- LIDOS is on or after January 1, 2005 and before April 1, 2005, and
- Claims submitted prior to April 4, 2005, and
- Line item cost¹ exceeds \$1,175 plus the line item payment amount, and
- Line item cost is less than \$1,175 plus (1.75 x line item payment amount).

Note: The graph below illustrates what claims qualify to receive outlier payment when resubmitted. The green shaded area in the middle pertains to the claims that meet the criteria listed above.

¹ Determined by the provider's line item charge multiplied by the provider's cost-to-charge ratio.

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Additional Information

If you have any questions regarding this issue, please contact your Medicare fiscal intermediary at their toll free number, which may be found at <http://www.cms.hhs.gov/apps/contacts/> on the CMS web site.

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